

The University of Chicago

PROTESTANT FINANCE  
IN METROPOLITAN CHICAGO AS  
REVEALED BY A STUDY OF  
FOUR DENOMINATIONS

A PART OF A DISSERTATION SUBMITTED  
TO THE FACULTY OF THE DIVINITY  
SCHOOL IN CANDIDACY FOR THE DEGREE  
OF DOCTOR OF PHILOSOPHY

DEPARTMENT OF CHRISTIAN THEOLOGY AND ETHICS

1933

By  
WALTER CHARLES GIERSBACH

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## CHAPTER IX

### THE POSSIBLE IMPLICATIONS OF PROTESTANT FINANCE AS REVEALED IN CHICAGO

Although there are sixty-two organized religious bodies operating in metropolitan Chicago one-half of the Protestant churches have been found to be associated with four ecclesiastical corporations--those which have been studied. Therefore, whatever may be said relative the financial structure of these four, whether it be a matter of history or the portrayal of a trend, should be said with a comprehension of its ultimate significance. The mere presentation of facts is insufficient. To say that a certain 2mm window glass has a transmission of 2.8 per cent at 302 millimicrons is to state a meaningful scientific fact. A scant number of folk would be able to interpret such a fact as a guide to the purchase of window glass for their homes but for the majority of people such a fact would mean exactly nothing. In order to make the information gathered in these pages of some use it must be interpreted in terms which any one can understand. Only those who approach a science or a vocabulary as a cloistered escape from realities will find reason for question.

From the many tables, charts, and maps which have been assembled certain major facts evolve. In presenting them there is no effort being made to dilute or to expand their significance. The primary purpose is one of interpretation.

#### An Interpretation of the Assets

Through dint of much effort, both persuasive and intelligent, the organizations which have centralized their enterprises

--these enterprises numbering over one thousand churches, missions, and neighborhood houses--have amassed some eight millions in assets. This represents resources other than good-will. Were good-will conservatively capitalized at 5 per cent (and this has often proved to be a denomination's largest asset), an additional four millions could be added to their financial rating, making the total sum approximately twelve millions of dollars.

These assets are controlled, to a large extent, by the elected representatives of the denomination's constituents. Their intelligent management calls for the election of laymen who are leaders in the financial or business world, and clergymen who have a capacity for administration. Due to the fact that such training has not been the portion of the machine or hand laborer, that he cannot give his time to such matters as executive sessions and committee meetings, and that frequently one is called upon to be free from a missionary or aided church because it is to be the recipient of the Board's favor, therefore the workingman is seldom found upon the managing board of directors. The pastor of such a workingman's church, for various reasons, is likewise unrepresented upon the central board.

The net result of such a practice tends to weight the control of the denomination's resources in favor of the status quo. The desire for safety and security creates an element of conservatism in denominational practice which merits a question in the minds of large numbers of the middle-class wage earners, and those who suffer from a lack of the world's goods. The assets of the denominational agencies are not growing less. The tendency is in the direction of larger endowments and larger resources. The creation of such resources tends to involve the religious order more deeply in the present social and economic order than may be desirable.



There has been an historic advantage in travelling light whether it be an institution or a person. To become too enmeshed in the net of administration which comes with the management of a foundation is something which needs to be avoided.

It is of interest to note that with the growth of endowments a corresponding growth in the enthusiasm which produced a larger revenue did not develop. It appears that a psychological effect upon the good-will, which is not wholly to the good, is the result of an incursion of large sums from a few interested givers.

A fourth implication which may be drawn from the fact that large resources are constantly accruing is that they do not emerge as the result of a whole-hearted spontaneity on the part of the mass. It can be maintained that every major advance has been the result of the vision of a few gifted adventurers. This has been true of denominational support for foreign missions, for example. The mass usually follows on the heels of the minority. Despite this it may be countered that a generous gesture on the part of the few toward the many without the opportunity of participation tends to leave the mass cold to the generosity of the benefactor. A psychological value, as well as a religious value, is lost by this action.

Further, the church leaders are given to feel that unless they secure a goodly sum from some individual their administrative ability may be called into question. That there may be need for such endowment need not be questioned. The point being made is that efforts are directed toward the known wealthy to grant a boon in some form or another. A purely objective attitude toward the formulation of such wealth, the method by which it was secured, the continued agglomeration of financial resources and its resultant power cannot be maintained effectively. A distorted or a diluted interpretation results. The drive of the denomination's execu-

tives is to secure control of part or all of such wealth. The purpose for which it may be used when once controlled by the Church may be most laudable but the fact remains that there is pressure from within and without to "play up to" the wealthy in the hope of securing funds for the denominational treasury and thus add to its power and prestige.

The endowments, lastly, reflect the economic status of the nation. The oft quoted phrase: "Less than 2 per cent of the population owns over 50 per cent of the wealth," is apparently understood in ecclesiastical circles. Although hundreds of congregations were associated with the four denominations, and thousands were in the churches, yet from one to five persons were largely responsible for the endowments realized by each of these holding corporations. The basis for the resources, in other words, is an extremely narrow one. Any operation carried on by the administrators must take this fact into account. Should more money be desired, or wise administration of a spiritual heritage be preferred, a consciousness of what has occurred in the past half-century should be developed. This should not be made the basis of the thought that the many are not interested as are the few but rather that the many have been denied, under the present social and economic order, the privilege of expressing their religious devotion in pecuniary forms.

#### An Interpretation of the Receipts

It is realized at the outset that we are far from providing answers to all the possible questions about church finance in an urban center. The work that has been done, and needs yet to be done, is a slow, arduous, and often unpretentious task. Much of the work lies in uncharted realms where there are many critics but few researchers. Much wood has yet to be cast up from the sea of figures ere an adequate shelter to house certain facts can be con-



structed. Many of the pieces, in the form of tables, charts, and maps, have been put aside for the present, not being essential to the immediate purpose but of value for related studies which may follow. In the light of what has been done in the field of church finance this study will be seen as a pioneering study in uncharted worlds. As has been attested: there are three fields for financial research which have been untouched, namely, the political, educational, and religious. In all three any facts unearthed will give insight into the problems which must be faced.

In securing financial support for the extension of the Kingdom within the city the four holding companies probed every possible source. National organizations of the denominations were solicited to channel the home missions money through the city organization. Individuals and corporations were visited and appealed to in many ways in the hope that even a small sum would be forthcoming. Churches and organizations within and without the fold were approached for aid in the great adventure of Christianizing a city. And all such contributors have their names written large in the books to show the extent of their generosity.

From this practice developed a sort of opportunistic philosophy. If the time appeared ripe, if the situation warranted, the need of the moment was presented as of primary importance and frequently the results obtained were judged to be favorable. Coupled with the theological drive it made for a competitive religious activity which remained unchecked until recent years. The astute leaders chosen by the church members were driven by Calvinistic activism which under a capitalistic order made for large financial returns. On one hand they were confronted by the needs of a rapidly growing city, and on the other they noted almost unlimited resources. A meditative theology plunged into such a situation would have

brought forth fruit of a different kind. But under the aegis of a soul-saving religion, at one time, and the social gospel at another time, organization and action was the order of the day.

From the beginning the aspirations for the extension of the work grew calling for larger and larger sums from the supporting group. This enlarged support came, and continued to come, from comparatively few churches. Historically, two-thirds or more of the denomination's agencies' monies came from 10 per cent of the churches. To what extent this fact was known is in doubt but it was sufficiently realized that there evolved a struggle to plant new ventures in territory where financial resources would gush forth. With the concentration of wealth in the three narrow sectors which were predominantly Protestant came the realizations that from the churches planted in these sectors would come the monies which would assure the future prosperity of old-line Protestantism in Chicago.

Here, again, the organized denominational agencies studied, reflected the economic condition of the nation. In some 75 per cent of the money received from the churches came from 10 per cent of the congregations. These, in turn, were to be found, and still are, in the narrow sectors referred to in the thesis.

Several implications may be drawn from such a situation. The first is that an organization which rests its financial operations on a base so restricted, as have these four, carries with it the implication of economic weakness. Should anything occur to the 10 per cent, (in some cases an even lower percentage of the whole), serious financial difficulties may result reducing the capacity of denominational leaders to cope with the situations which would evolve from such a collapse. The fact that nothing has occurred to warrant such a conclusion does not bear the marks of security which it once did. "Times change and we with time."

The narrow basis, both financial and geographical, upon which the denominational organizations operate develops a tendency to overcrowd these productive areas by establishing new units. Each church, so established, needs to live off the community in which it finds itself. Under a competitive denominationalism such a process makes for the impoverishment of those already present. It is obvious to the most innocent that when two or three churches are founded where but one can have a well-rounded life the results are far from happy. Mute testimony of this is to be found in nearly every hamlet of the nation. In Chicago Roman Catholicism ministers to as many Christians as does Protestantism but it uses only one-fourth as many church buildings to accomplish the task.

There is the possible danger of a democratic institution, such as these are reputed to be, obligating itself too fully to the present order. A directorate chosen from the churches which lead in a financial way is tempted to think in the way of the fathers who created the situation in which they find themselves. A concomitant is that in matters calling for social, religious, and moral action, there may be a tendency to accede to the dominant laity mind making for a conservatism which is not warranted by the facts.

Lastly, it may be contended that under such an arrangement there is a possibility of discrediting an historic, ecclesiastical democracy. Weighting the activity and the direction of the program in line with the thinking and the practices of the few tends to call into question the value of a wide representation in the affairs of the denomination.

#### An Interpretation of the Disbursements

The thesis being supported holds not only to the view that monies, received both for endowment and current accounts, have



been received from a comparatively few churches and individuals situated in socially and economically favored areas, and that there is a weakness in such a practice, but that the denominational agencies have disbursed their monies, both historically and in the present, on a relatively few institutions located in certain restricted areas of the city.

The present organizations have expended approximately eight millions of dollars. About four millions have been expended in the past decade. This does not include all the support given by these central bodies to the churches in the form of temporary loans or permanent grants which, as a rule, are secured by property liens. The sums mentioned represent, to a large extent, the net current expenses involved in taking churches and neighborhood houses under the wing of the denominational boards.

Historically these societies gave over one-half of their money (which went to the aid of churches and institutions), to 10 per cent of the total number of enterprises so aided. The percentage would be even more striking were all the churches associated with the central society considered. These aided churches and neighborhood houses, which received in the past, and still do receive, over one-half of the disbursements, are located in the inner-city with few exceptions. From this fact certain implications are drawn.

Basically there is the feel for a social structure which carries with it a sense of obligation on the part of ecclesiastical organizations. An ideal world, calling for fellowship and Christian action is erected and various means are inaugurated by which the end sought may be secured. Any ethics of charity, or active aid, in the larger sense, must lie in the reactions of a corporate body against evils, and with the victims to whom it plans to extend its sympathy.

From the records of a half-century ago are culled the thoughts of the church leaders in Chicago. To them the city needed but the Word which they had in order to save it for the Kingdom of God which was to be. A careful study has shown that the primary raison d'etre was this bringing in the Kingdom. The manner in which this was to be done was the extension of the fellowship by the establishment of a communio sanctorum for the conversion of sinners where two or three could be gathered together in His name. The result of such mental processes was a feverish planting of churches and the creation of congregations wherever possible.

At the turn of the century it became apparent that the competition which such a process involved, coupled with certain sociological, economic, and moral problems, did not create strong, self-supporting enterprises. Churches, which had been driven by a strenuous activism, were as far behind in the matter of building a fellowship as they had been a score of years earlier. The membership was scant, and the local support little, causing the central supporting board to continue pouring money into a venture, providing it wished to keep the work alive. The outgrowth of the practice was a process of rationalization. Instead of a co-operative attack upon the factors which offered stubborn opposition an increasingly competitive spirit developed and more money was appropriated for the support of neighborhood houses and institutional churches. Only within the past few years has this attitude been altered to an appreciable degree.

As a result of the operation of a rationalization process it is estimated that the primary purpose which lay behind this practice is not the creation of a fellowship of believers but rather an emphasis upon character building. Instead of converting sinners to the Christian way of life by bringing them to where they

would decide to follow in the Way, and instead of persuading those who held Christian beliefs other than theirs to forsake such forms for the Protestant faith the view has shifted to one of doing good without resorting to their inclusion in the congregation. The product of such thinking is a growing eleemosynary activity which is accepted as such by the recipients without the necessity of developing a particular loyalty to the institution which made possible the opportunities for a wider expression of the ideals which it seeks to promote.

Such a program on the part of the denominational organizations creates in the contributor a feeling of self-satisfaction that comes with giving to a needy individual or institution without the necessity of thinking how the latter arrived at the state in which he or it is found. This attitude of mind has been condemned by the Church since its founding. In contra-distinction to this is to be found the recipient of such aboon who takes it for what it is worth without developing the question which would resolve itself were the basis of operations in the transaction religious rather than sociological. In other words, it appears that the historic position of Protestantism in regard to eleemosynary practices is being shifted from one of building a fellowship first and lifting the individual into this communion for his own and society's sake to one of doing a service for the purpose of building character. Protestantism in metropolitan Chicago has given historically over one-half (in some cases three-fourths) of its money to 10 per cent of the aided institutions. These, for the most part, are located within the narrow limits of the inner city. The crux of the matter lies here.

The present-day agencies, and their supporters, have inherited certain fundamental beliefs in venerable institutions.



Some have been aided for a half-century, others for a quarter-century. Their needs have been the instrument by which the rally call has been sounded which created the sympathetic attitude necessary for the securing of funds with which to build the kingdom as they saw it. In the process of creating and maintaining such a faith there resides the possible danger of the crystallization of such historic loyalties rather than the building up of a reliance on experimentation and the submission of all activity to the ultimate pragmatic test of practicality.

Further, the historic, as well as the present practice in the distribution of monies, in these four denominations, has the tendency of supplanting the self-directive idea of fellowship-building churches with the creation of institutional enterprises which although having a religious core and drive tend to be another form of charity. Such institutional activity makes less possible the idea of transferring eleemosynary activity from the churches to the state which has been the historic position maintained by Protestantism.

Finally, there is the possible danger of these ecclesiastical corporations being blinded to the wider service in the newer areas, social and geographical, which are being affected by the forces of integration and disintegration in an urban center. Populations which are being touched by the socio-economic forces and movements of the day need directive support and leadership. An historic practice, such as has been concurred in by these denominations, tends to dim the vision and insight of the officials relative the larger metropolitan areas which call for a newer servicing as a result of the incursion of constructive or destructive factors. Such a contention is based on the Protestant view that divine good-will operates through the agencies of human action and

scientific intelligent methods.

### Conclusion

It may be said, in closing, that there is no need to moralize. Protestantism has shown enough native intelligence and the spirit of the divine in the past to warrant a faith in its future. Any handwriting which may appear on its walls is usually read and interpreted in the spirit of the times with the light that is at its disposal. A narrow basis of operation, whether it be in the social, economic, or religious world, bears with it certain advantages and disadvantages which make for final success or failure. There is no reason to believe that the world of finance--representing as it does the practical side of ecclesiasticism--deviates from the norm in this matter. Receiving money from a few and disbursing it to a few creates a hiatus between two extremes which needs to be bridged in some form lest the Church be charged with being another instrument for developing and continuing the status quo. The danger of being a benevolent administrative agency must be guarded against lest the Church fall into the chasm which it sought to span. Thus, instead of becoming an interpreter between the divine and the human, which has been its historic task, it would become lost in the realm of anonymity.

There is reason to believe that the ethical and religious battles of the century are to be fought in our modern urban centers. The forces of righteousness must grapple with the spirit of this world as it manifests itself in the cities. An intelligent spirit, which is a Christian spirit, will find use for the tools which are at its disposal in its attack upon those forces which seek to retard the coming of the kingdom.









